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Report Highlights:

France is the world's third leading exporter of planting seeds after the United States and the Netherlands. However, France has a trade deficit for planting seeds with the United States. In MY 2000/01, U.S. exports to France amounted to 38.8 billion Euros, of which 58 percent were corn planting seeds. As biotechnology continues to be a controversial issue in France, there is no biotech seed multiplication in France. The number of test plots on biotech varieties is very limited and principally includes corn products. In 2002, France approved 8 new applications for open field testing of biotech crop varieties, but none of them could be planted. Also, French corn growers planted biotech corn to obtain field observations of biotech seeds and their impact on conventional corn.

Includes PSD changes: No
Includes Trade Matrix: Yes
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Summary

France is the world's third leading exporter of planting seeds after the United States and the Netherlands. France mainly exports corn, vegetable and flower seeds. However, France has a trade deficit for planting seeds with the United States. In MY 2000/01, U.S. exports to France amounted to 38.8 billion Euros, of which 58 percent were corn planting seeds. With 21 percent market share, U.S. product competes mainly with Hungarian (28 percent) and Chilean (15 percent) products on the French market for corn planting seeds. As biotechnology continues to be a controversial issue in France, there is no biotech seed multiplication in France. The number of test plots on biotech varieties is very limited and principally includes corn products.

Section I: Production and Regulations

Production

France is the largest seed producer in the European Union.

Seed sales grew regularly in the 1980's, dropped slightly in the early 1990's due to 1992 CAP reform, but recovered in the mid 1990s as higher prices allowed farmers to buy certified seeds instead of using on-farm produced seeds.

There are four French seed companies among the world's top 20 seed companies: Groupe Limagrain (#4, cooperative, Euro 873 million sales), RAGT Génétiques (#17, private company, Euro 110 million sales), Euralis Semences (#18, private company, Euro 105 million sales), and Union In Vivo (#20, cooperative, Euro 90 million).

French Production of Selected Certified Seeds (in MT)

| | | MY 1997/98 | MY 1998/99 | MY 1999/00 | MY 2000/01 |
|-----------------------------|-----------|------------|------------|------------|------------|
| Straw Cereal | Total | 718,921 | 766,568 | 723,476 | 743,669 |
| | Wheat | 455,258 | 485,516 | 452,175 | 450,093 |
| | Barley | 184,662 | 185,013 | 170,820 | 196,657 |
| Corn | | 132,330 | 132,153 | 132,156 | 145,459 |
| Sugar Beet | | 8,616 | 11,194 | 7,171 | 5,795 |
| Oilseeds | Total | 20,252 | 21,915 | 21,755 | 23,533 |
| | Rapeseed | 4,863 | 5,001 | 5,276 | 4,085 |
| | Sunflower | 5,675 | 5,734 | 4,787 | 5,543 |
| | Soybean | 2,055 | 2,264 | 2,748 | 6,686 |
| Forage seeds | | 128,990 | 120,231 | 109,762 | 113,070 |
| Vegetables and Flower seeds | | 17,485 | 19,713 | 23,286 | 19,199 |

(Source GNIS)

Corn:

French production of certified corn seeds increased by 10 percent in 2000/01, mainly due to increased demand in France (the area planted to corn increased from 3.16 million ha in 2000 to 3.39 million ha in 2001 and 3.23 million ha in 2002), and increased export demand. Also, the biotech debate tends to favor the French corn seed industry relative to the U.S. corn seed industry, because the French monitor more closely biotech adventitious

contamination.

In MY 2001/02, first estimates indicate that the French production of certified corn seeds declined slightly (around two percent), due to the reduced area planted to corn from 3.39 million ha in 2001 to 3.23 million ha in 2002.

Seed Certification-Variety Approval

The French seed registration system is fully integrated within the EU seed registration framework. Seeds registered in any of the EU member states are now also registered in France, and vice versa.

The French seed sector is regulated by three main organizations. The "Permanent Technical Committee for Seed Selection" (in French "Comité Technique Permanent de la Sélection," or CTPS) is a technical committee answering to the French MinAg. CTPS is made up of representatives of the French MinAg, seed producers, traders and end users. CTPS sets the technical rules to register seed varieties in the French Seed Catalogue. Any petitioner registering a new seed variety on the French Seed Catalogue must submit a detailed file to the CTPS.

To get into the French Seed Catalogue, a new variety has to pass several tests. These tests compare their agronomical and technical values to control varieties and measure their stability and homogeneity. The Study and Control Group for Varieties and Seeds (in French "Groupe d'Etudes et de Contrôle des Variétés et des Semences," or GEVES) conducts these studies on 100,000 test plots across France. GEVES is made up of representatives from the French MinAg, the National Institute of Agricultural Research (INRA), and the French seed industry organization (in French "Groupement National Interprofessionnel des Semences," or GNIS). Please see GEVES website for more information: <http://www.geves.fr> (in French)

If a new variety passes the tests, it is listed in the French Official Seed Catalogue and is registered for the entire EU. Varieties registered in the European seed catalogue are listed on the GNIS website, which also contains information in French and in English on seed certification: <http://www.gnis.fr>

Certified seed production is controlled by the "Service Officiel de Contrôle et de Certification" (SOC), which is the joint responsibility of GNIS and MinAg. The MinAg establishes the official criteria for certification. Random tests in the field and at processing plants verify the sanitary status of the seeds, the germination capacity and the moisture level. The SOC has the power to levy administrative and economic penalties, including fines and plant closures.

Intellectual Property Rights (Plant Variety Protection/Plant Patents)

In France, the framework protecting new seed varieties is the 1961 UPOV (Union pour la Protection des Obtentions Végétales) Convention, which was strengthened by the 1991 Act (UPOV 1991). The UPOV system is designed to protect the work of breeders, takes into account users' needs, and specifically reserves rights for further variety development. The production and sale of a protected variety are subject to the approval of the variety breeder. The 1991 UPOV Convention is still under discussion. In contrast to the patent process, used in the United States, these Conventions allow the use of a Plant Variety Protection (PVP) to develop another

variety without having to pay a fee.

Some French seed companies indicate their concern for the practice of certain companies in the United States which patent both a new variety and its descendants. These French companies fear that this would significantly reduce the diversity of varieties planted, in a number of years. They prefer to protect one variety and not its descendants, which can therefore be used by any company to select other varieties.

At the WTO, intellectual property rights are discussed under the TRIPS (Trade-Related aspects of Intellectual Property rights) Agreement.

Biotechnology

Biotech Seeds Authorized to be Planted in France:

There are 4 biotech seeds currently authorized to be cultivated in France under Directive 90/220:

- Novartis Bt-176 corn, corn borer resistant,
- Monsanto MON 810 corn, corn borer and sesamia resistant,
- AgrEvo (now Aventis) T25 corn, herbicide tolerant,
- Altadis ITB-1000-0X tobacco, herbicide-tolerant.

The 1998 de facto moratorium stopped any new approvals for cultivation. Almost a hundred biotech corn varieties approved by CTPS are waiting for approval by the French MinAg.

Despite these approvals, there are no biotech crops grown commercially in France. French farmers planted 2,000 ha of Novartis Bt-176 corn in 1998 and found no market for it in France, and therefore exported it to Spain. Since then, French farmers have not tried to produce a biotech crop commercially. Although most French corn growers support biotechnology, their customers (the starch and feed industries) demand non-biotech corn.

Open Field Test Plots:

A number of tests are being conducted on biotech crops in laboratories, greenhouses and open fields. On July 4, 2002, the French Ministry of Agriculture approved 8 applications for open field testing, none of them could be planted in 2002, as their approval was too late to allow their cultivation. The number of test plots in France is 41, mainly corn (70 percent). MONSANTO and the French company BIOGEMMA are conducting most of the open field research programs underway in France. (See report FR2052, dated 7/17/02)

A complete description of these field trials is available on the French MinAg website at:
http://www.agriculture.gouv.fr/OGM/espace_info/essais_france/fip/fip2002.htm

In 2002, GNIS had no contract for biotech seeds multiplication. Over the past few years, the area planted to biotech corn seeds for multiplication under contract went down from 2,000 ha in 1998 to 6.3 ha in 2001 and zero in 2002.

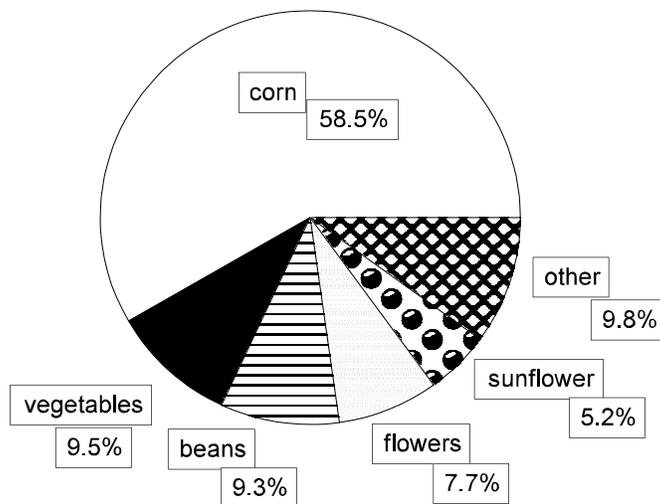
In 2002, French corn growers (Maiz'Europ') planted 1.5 ha of conventional and biotech corn to experiment the risks of "contamination" of conventional corn with biotech corn on a large scale. These include three fields of 5 ha each of which 0.5 ha of biotech corn. The biotech corn varieties are Novelis and DK 513, which both have the MON 810 genetic event.

Trade

France is the world's third leading exporter of planting seeds after the United States and the Netherlands. In 2000/01, French exports of planting seeds amounted to 503.4 million Euros. France's leading exports were corn and sorghum seeds (47 percent) and vegetable/flower seeds (22 percent). In 2000/01, total French imports of planting seeds amounted to 286.6 million Euros. The main planting seeds imported by France were vegetable and flower seeds (23 percent), corn and sorghum seeds (23 percent) and sugarbeet seeds (22 percent).

France has a trade deficit in planting seeds with the United States. France principally imports corn seeds, vegetable seeds, bean seeds, and flower seeds from the United States, as indicated in the graph below:

U.S. Exports of Planting Seeds to France (in value) - MY 01/02



On the French market, U.S. corn planting seeds compete with Hungarian and Chilean products, as indicated in the following trade matrices. While the United States was traditionally France's leading supplier of corn planting seeds, Hungary took the lead in 2001/02, with 28 percent market share, ahead of the United States (21 percent). In addition, the market share of the Chilean product increased to 15 percent in 2001/02.

Section II: Statistical Tables

Trade Matrices

Total Planting Seeds

| Export Trade Matrix - France Planting Seeds, Total MY July-June in million Euros | | | |
|---|---------|---------|---------|
| Exports for: | 1999/00 | 2000/01 | 2001/02 |
| U.S. | 13.11 | 14.42 | N/A |
| Others | | | |
| Germany | 112.03 | 125.08 | N/A |
| Netherlands | 65.76 | 64.37 | N/A |
| Italy | 59.63 | 61.04 | N/A |
| Spain | 37.7 | 41.75 | N/A |
| Belgium | 47.39 | 34.43 | N/A |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 322.51 | 326.67 | N/A |
| Others not Listed | 149.1 | 162.32 | N/A |
| Grand Total | 485.12 | 503.41 | N/A |

Source: GNIS

| Import Trade Matrix - France Planting Seeds, Total MY July-June in million Euros | | | |
|---|---------|---------|---------|
| Exports for: | 1999/00 | 2000/01 | 2001/02 |
| U.S. | 28.08 | 37.05 | N/A |
| Others | | | |
| Netherlands | 80.04 | 81.22 | N/A |
| Germany | 47.45 | 49.01 | N/A |
| Belgium | 21.62 | 25.16 | N/A |
| Chile | 14.86 | 16.49 | N/A |
| Denmark | 25.05 | 15.48 | N/A |
| Hungary | 10.46 | 13.12 | N/A |
| Italy | 14.7 | 8.7 | N/A |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 214.18 | 209.18 | N/A |
| Others not Listed | 40.77 | 40.39 | N/A |
| Grand Total | 283.03 | 286.62 | N/A |

Source: GNIS

Corn Seeds

Trade matrices in quantities:

| Export Trade Matrix - France Planting Seeds, Corn MY July-June in MT | | |
|---|---------|---------|
| Exports for: | 2000/01 | 2001/02 |
| U.S. | 653 | 162 |
| Others | | |
| Germany | 31540 | 33631 |
| Italy | 9628 | 9075 |
| Spain | 6128 | 9278 |
| Netherlands | 7258 | 8948 |
| Belgium | 5279 | 4905 |
| Total for Others | 59833 | 65837 |
| Others not Listed | 22582 | 21103 |
| Grand Total | 83068 | 87102 |

Source: GNIS

| Import Trade Matrix - France Planting Seeds, Corn MY July-June in MT | | |
|---|---------|---------|
| Exports for: | 2000/01 | 2001/02 |
| U.S. | 7612 | 6725 |
| Others | | |
| Hungary | 7967 | 11995 |
| Chile | 6456 | 6393 |
| Netherlands | 2444 | 4284 |
| Turkey | 1100 | 1507 |
| Austria | 1509 | 1378 |
| Total for Others | 18376 | 25557 |
| Others not Listed | 5608 | 8730 |
| Grand Total | 31,596 | 41012 |

Source: GNIS

Trade matrices in value:

| Export Trade Matrix - France Planting Seeds, Corn MY July-June in 1,000 Euros | | |
|--|---------|---------|
| Exports for: | 2000/01 | 2001/02 |
| U.S. | | |
| Others | | |
| Germany | 84483 | 93565 |
| Italy | 23684 | 22678 |
| Netherlands | 16188 | 20421 |
| Spain | 16313 | 20306 |
| Belgium | 19354 | 16274 |
| Austria | 8930 | 8721 |
| Total for Others | 168952 | 181965 |
| Others not Listed | | |
| Grand Total | 229904 | 236322 |

Source: GNIS

| Import Trade Matrix - France Planting Seeds, Corn MY July-June in 1,000 Euros | | |
|--|---------|---------|
| Exports for: | 2000/01 | 2001/02 |
| U.S. | 16658 | 18435 |
| Others | | |
| Hungary | 11646 | 24238 |
| Chile | 11506 | 13063 |
| Netherlands | 6036 | 6249 |
| Turkey | 1691 | 3677 |
| Austria | 1998 | 3407 |
| | | |
| Total for Others | 32877 | 50634 |
| Others not Listed | 16219 | 17264 |
| Grand Total | 61740 | 86333 |

Source: GNIS

Tariff Table

| | Customs Codes | Planting Seeds | French Tariffs (%) |
|------------|---------------|--|--------------------|
| Chapter 7 | 07011000 | Potato | 4.5 |
| | 07129011 | Sweet Corn (Hybrid) | exempted |
| | 07131010 | Peas (Pisum sativum) | exempted |
| | 07133310 | Common Bean | exempted |
| | 07139010 | Other Dry Beans | 3.2 |
| Chapter 10 | 10019010 | Spelt | 12.8 |
| | 10019091 | Soft Wheat | 95 Euros per MT |
| | 10030010 | Barley | 93 Euros per MT |
| | 10051011 | Double Hybrid Corn | exempted |
| | 10051013 | Three Way Hybrid Corn | exempted |
| | 10051015 | Single Hybrid Corn | exempted |
| | 10051019 | Other Hybrid Corn | exempted |
| | 10061010 | Rice | 7.7 |
| | 10070010 | Sorghum | 6.4 |
| Chapter 12 | 12010010 | Soybean | exempted |
| | 12021010 | Peanuts | exempted |
| | 12040010 | Flaxseed | exempted |
| | 12051010 | Rapeseed with low content in erucic acid | exempted |
| | 12060010 | Sunflower | exempted |
| | 12071010 | Palm nuts | exempted |
| | 12072010 | Cotton | exempted |
| | 12073010 | Castor Seed | exempted |
| | 12074010 | Sesame | exempted |
| | 12075010 | Mustard | exempted |
| | 12076010 | Carthame | exempted |

| | | | |
|--|----------|---|----------|
| | 12079110 | Garden Poppy | exempted |
| | 12079920 | other oilseeds (including hemp) | exempted |
| | 12091000 | Sugarbeet | 8.3 |
| | 12092100 | Alfalfa | 2.5 |
| | 12092210 | Red Clover | exempted |
| | 12092280 | Other Clover | exempted |
| | 12092311 | Meadow Fescue | exempted |
| | 12092315 | Typical red Fescue | exempted |
| | 12092380 | Other fescue | 2.5 |
| | 12092400 | June Grass | exempted |
| | 12092510 | Italian Ryegrass | exempted |
| | 12092590 | English Ryegrass | exempted |
| | 12092600 | Herd's Grass | exempted |
| | 12092910 | Vetch+Rough Meadow Grass+ Orchard's Grass+Bent Grass | exempted |
| | 12092950 | Lupines | 2.5 |
| | 12092960 | Other Beets | 8.3 |
| | 12092980 | Other Forage | 2.5 |
| | 12093000 | Flower Seeds | 3 |
| | 12099110 | Turnip-Rooted Cabbage | 3 |
| | 12099190 | Vegetable Seeds | 3 |
| | 12099910 | Forestry Seeds | exempted |
| | 12099991 | Ornamental Seeds | 3 |
| | 12099999 | Other | 4 |